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Transit: Living on a reduced income

RAILWAY AGE

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Midyear report: How strong an upturn?

Meet Milly the robot

C&NW's snow fighters

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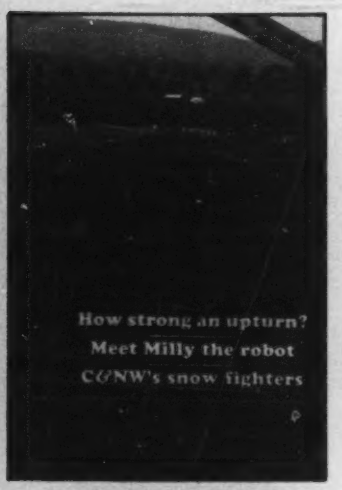
RAILWAY AGE

July 12, 1982

FEATURES



Cover: Conrail freight was photographed by Roy Blanchard near Harrisburg, Pa. *Page 15.*

15 Midyear report: How strong an upturn?
Railroads expect recovery to be slow and erratic—but the industry entered this recession in such strong shape that it could still show a modest '82 profit.

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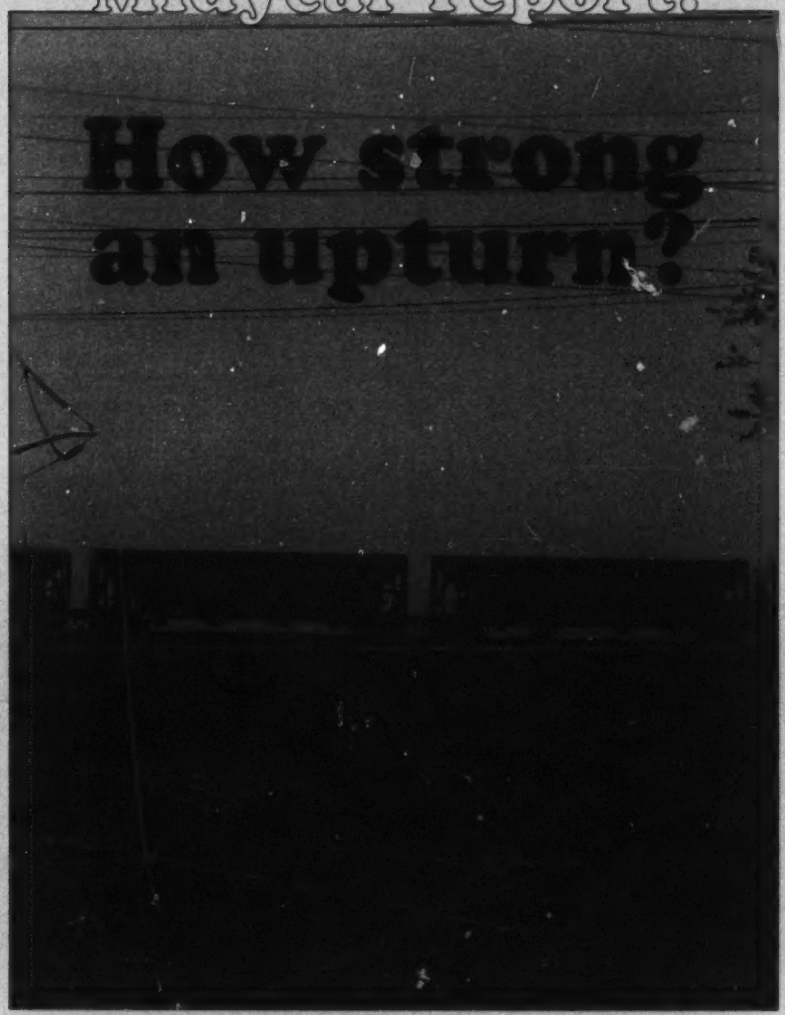
Midyear report:

How strong an upturn?



Although the recession is officially over, railroads see no sudden or sustained traffic upturn. But they have weathered the recession well and could even end up the year in the black.

By LUTHER S. MILLER, Editor

The question at midyear is "What's ahead?" The answer, for railroads, depends on how far ahead you are looking.

Long-term, railroad prospects have never been brighter. Business writers who just a few years ago were composing railroading's obituary notices are today rushing into print with stories describing a dramatic turnaround that has transformed a dying industry into a growth industry.

But you don't pay today's bills with tomorrow's freight receipts, and it is short-term indicators that railroaders are anxiously scanning at midyear '82. Those indicators are starting to look, if not good, then certainly better than they have looked in many months. On July 1, these encouraging words were being heard from Washington:

—The government's index of leading economic indicators rose 9/10 of 1% in May, following increases of 1.3% in April and 3/10 of 1% in March. Three consecutive months of improvement were viewed as conclusive evidence that a recovery, of sorts, was under way.

—Government economists announced that they expected the gross national product, when adjusted for inflation, to be up 9/10 of 1% in the second quarter. That would be the first rise in GNP since the third quarter of 1981.

—Orders for new manufactured goods increased 1.5% in May, and shipments rose 2.6%—the largest one-month gain since October 1980.

—New construction spending rose 1.3% in May, the third straight monthly gain.

• The railroad outlook. So recovery from the Great Recession of '81-'82 is officially under way. The next questions are, "How strong a recovery?" and "How long a recovery?" The answer to the first is "not very." The answer to the second is iffy.

Some economists feel that the initial recovery may be of short duration, fueled only briefly by the need to replenish depleted inventories and by the 10% tax cut that became effective July 1. Others see a slow, steady recovery that will gradually gain momentum. But no one is forecasting any economic miracles for the rest of this year or the early part of '83.

"Indications are that third-quarter traffic will clearly be below comparable 1981 levels, with the gap narrowing in the fourth quarter—in part because the economy may pick up and in part because the fourth quarter was the worst of 1981," says Richard E. Briggs, executive vice president of the Association of American Railroads. "I don't think we are going to see any pickup in coal; in fact, it may be a little more sluggish than a year ago—the figures will look bad for a while because we are running against last year's post-strike catchup. The only thing I can see on the horizon that could really help is if all of a sudden export grain starts to move. The fact that we aren't going to have any major rate increases—certainly no general ones—for the rest of the year bodes well, I think, but it's going to be a very competitive climate, with rate reductions predominating in all areas of transportation."

Harry J. Bruce, senior vice president-marketing, Illinois Central Gulf, is similarly cautious. "There appears to have been a bottoming out of the recession, but I don't see any dramatic upturn this year and the outlook is rather bland and bleak for 1983," Bruce observed the day the government released its "end of the recession" economic indicators. Like the AAR's Briggs, Bruce sees a period of rate-cutting ahead. He fears, in fact, a rate war that could have serious consequences when traffic comes back and rates will have to be restored to normal levels.

"The Staggers Act," warns ICG's marketing chief, "gave us a tremendous amount of pricing freedom, but it also gave us the freedom to make mistakes. Some railroads have established rates that have taken business out of boxcars and put it onto flatcars. Now they're having to offer incentive rates to reload those empty boxcars."

With traffic levels low, Bruce observes, the competitive pressures are worsening. "It's common knowledge that some barge

As carloadings sag...

	Jan. 1 to June 19, 1982	% change from 1981
Grain	620,202	- 8.4%
Farm products ex. grain	106,076	+ 3.8%
Metallic ores	486,145	-35.1%
Coal	2,862,609	+21.6%*
Crushed stone, gravel & sand	224,205	-26.9%
Nonmetallic minerals	253,647	-25.4%
Grain mill products	310,568	-17.0%
Food & kindred products	344,505	-12.6%
Primary forest products	388,778	-18.2%
Lumber & wood products ex. furniture	146,236	-32.6%
Pulp, paper & allied products	417,879	-16.8%
Chemicals & allied products	578,437	-16.4%
Petroleum products	119,341	-10.7%
Stone, clay & glass products	247,084	-30.0%
Coke	122,721	-24.8%
Metals & products ex. coke	267,194	-35.9%
Motor vehicles & equipment	360,088	-17.9%
Waste & scrap materials	215,978	-33.0%
Forwarder & shipper assc. traffic	215,474	-11.4%
All other carloads	1,029,457	- 2.3%
LCL traffic (cars)	5,362	-14.1%
Total cars loaded	**9,321,986**	**- 9.6%**
Piggyback**		
Cars loaded	648,330	+ 8.1%
Trailers loaded	1,510,493	+ 6.3%

*Increases in coal carloadings reflect effects of last year's UMW strike.
**24 weeks ended June 12, 1982

...the red ink spreads

First-quarter operating ratios

	1982	1981
Atchison, Topeka & Santa Fe	87.46	91.97
Baltimore & Ohio	103.71	93.11
Bessemer & Lake Erie	119.99	74.92
Boston & Maine	102.35	98.00
Burlington Northern	94.01	87.76
Chesapeake & Ohio	90.00	87.54
Chicago & North Western	109.51	94.48
Chicago, Milwaukee, St. Paul & Pacific	109.38	107.49
Clinchfield	80.96	72.30
Conrail	101.98	104.85
Delaware & Hudson	106.35	111.84
Denver & Rio Grande Western	91.00	84.23
Detroit, Toledo & Ironton	124.62	93.25
Duluth, Missabe & Iron Range	156.77	126.80
Elgin, Joliet & Eastern	77.19	77.25
Florida East Coast	86.37	87.05
Grand Trunk Western	101.05	96.00
Illinois Central Gulf	107.44	96.26
Kansas City Southern	84.44	83.79
Long Island	114.26	114.72
Louisville & Nashville	92.95	90.82
Missouri-Kansas-Texas	92.86	90.49
Missouri Pacific	87.12	86.19
Norfolk & Western	73.86	73.17
Pittsburgh & Lake Erie	111.78	94.55
St. Louis Southwestern	84.01	87.55
Seaboard Coast Line	94.72	89.06
Soo Line	88.63	78.21
Southern	83.91	78.55
Southern Pacific	105.35	98.86
Union Pacific	88.01	82.22
Western Maryland	75.76	87.32
Western Pacific	103.93	94.70

lines are selling transportation at below cost," he says.

Bruce's comments were echoed in interviews *Railway Age* conducted with major shippers, most of whom asked not to be quoted by name. A big grain shipper said: "Barge capacity is so big now and the prices are so low that it has been an impact on railroads. A lot of grain that would normally go all the way to the Gulf by rail has been going over to the river. But we've also heard that some barge lines are going to lay up their fleets because their prices are so low they can't make their costs."

And a major Chicago-based shipper of paperboard observed, with respect to reduced motor carrier rates: "We know from operating our own trucks that some of the rates the highway carriers are charging are way below cost."

The reasons for this kind of rate-cutting become clear when you examine first-half traffic trends.

• **Some winners, many losers.** Up to June 19, revenue carloadings for the year as a whole were off 9.6% from year-ago levels, and ton-miles were down 8.6%. As the year progressed, the trend worsened. For the week ended June 19, loadings were down 14.7% and ton-miles were off 14.4% from the corresponding 1981 week.

During the year's first 25 weeks, 19 of the 21 principal commodity groups showed decreases from the comparable 1981 period. Among the big losers: metals and products (except coke), down 35.9%; lumber and wood products (except furniture), down 32.6%; crushed stone, gravel and sand, down 26.9%; nonmetallic minerals, down 25.4%.

Coal was a bright spot in the picture, and it was an important one—coal accounts for 30% of all railroad traffic and 18% of all freight revenues. Coal loadings for the first 25 weeks of the year ran 21.6% above 1981 levels—due partly to the coal miners' strike of '81 but also due to the high levels of export coal movements to eastern ports. Traffic now is beginning to soften. In the week ended June 15, coal loadings were up only 2.7% over the year-ago week—although, as the AAR's Briggs points out, this is partly because coal traffic now is being measured against the unusually heavy movements that were taking place in the post-strike period a year ago.

The only commodity except coal to show an increase over last year has been farm products (except grain), whose loadings are up 3.8%. Grain itself has been a disappointment. Grain loadings so far this year are down 8.4% from 1981 levels. But the grain elevators are overflowing, a new crop is being gathered in, and traffic is starting to show some improvement. In mid-June grain loadings were only 1.7% below comparable 1981 levels.

Piggyback loadings, a separate entry in the AAR's traffic reports, are running against the trend, with an overall 8% increase reported through June 12. Some view this as proof positive that the railroads' superior fuel efficiency is siphoning traffic from the highways.

Others, like ICG's Bruce, fear that much of the "improvement" comes from what will ultimately prove to be a self-defeating shift of freight from one type of railroad car to another.

• **A silver lining.** The clouds that now overhang the industry have, however, a silver lining, and it is this: If ever an industry could be said to be "ready" for a recession, it was the railroad industry. The downturn came at a time when railroad track and equipment were in the best shape they have been in for many decades, so expenditures could be deferred without damaging service levels. It also came at a time when the industry was able, for the first time in nearly a century, to compete for available traffic with the same pricing and other competitive weapons available to other modes. And it came at a time when the railroads were gaining the benefits of some long-overdue favorable tax adjustments. As a result of all these things, the railroads were in a comparatively good condition to ride out this economic storm.

"With this kind of situation just a few years ago, we would already have had a half a dozen bankruptcies," says AAR President William H. Dempsey. Now, Dempsey believes that if the economy does not materially worsen, the railroads as a whole could end up the year with a 2% return on investment—less than half the 4.25% they earned last year, but still better than they were able to report in pre-Staggers Act 1975, 1976, 1977 and 1978.

Says Henry Livingston of Kidder Peabody and Co., a professional watcher of railroads for 20 years: "If the economy moves along at current or even slightly worse levels, even through 1983, I think the cash position and the financial strength of the railroad industry will come out all right."

• **Equipment suppliers suffer.** While railroads appear likely to come out of this downturn in relatively good shape, as much cannot be said for their equipment suppliers. One of the most respected analyses of railroad equipment suppliers' prospects is that which is put out quarterly by Merrill Lynch Pierce Fenner & Smith—and Merrill Lynch's June 1982 "Railroad Equipment Industry Quarterly Update" is full of ominous tidings for the supply side.

"Industry orders in the first quarter of 1982 were at their lowest level since 1958," says the report. "The downtrend in orders has continued for 12 quarters and is the lengthiest and most severe since the 1930s. The absence of any meaningful demand can be attributed to depressed traffic levels that, with historically high deliveries in 1979, created a significant oversupply of most kinds of equipment."

Merrill Lynch finds the outlook for the rest of 1982 "not particularly encouraging. Orders for calendar 1982 could total fewer than 15,000 units. Orders in 1983 could, at best, recover to the mid-30,000s"—a forecast in line with that of carbuilders and component suppliers who are members of the American Railway Car Institute (see p. 3). ■

FRA's hands-off policy: It's starting to work

Pleased with progress of his campaign to "get the government out of railroading," Bob Blanchette sees two main future functions for FRA: (1) safety and (2) "the advocate's role."

By BILL FAHRENWALD,
Associate Editor

At last it seems as though railroads are receding from the limelight in Washington, D.C. With passage of the Staggers Act in 1980, important legislation affecting Conrail passed last year, and a temporary lull in the debate over Amtrak's mission this year, there is relative peace for rail lobbyists. Issues remain, of course, that are critical to railroads. But for the most part the unresolved questions have only to do with the degree to which government involvement in railroading ought to be reduced.

That fact can be credited largely to the Reagan Administration and its two chief rail policymakers—Secretary of Transportation Drew Lewis and Federal Railroad Administrator Robert W. Blanchette. *Railway Age* talked with Blanchette recently in his Washington office about the government's role in railroading.

Desite the Administration's often stated goal to "get government out of railroading," Blachette says that there will always be an FRA. Its function, though, will be largely altered. "I don't think we ought to be substituting ourselves for enlightened self interest within the industry," Blanchette says. He believes FRA should not be involved in "developing products or doing things of a proprietary nature."

Safety, he says, is and will be the agency's primary function. "Its secondary role," Blanchette says, "will be the advocate's role. We'll be beefing up the policy office so that we will have a better fix on where the industry is and of what its needs are so we won't get surprised and wake up one morning to find a dead railroad at our door." He thinks a lesson has been learned from the experience of the recent railroad bankruptcies: "If you get an early enough fix on where a problem is you don't have to throw money at it after it's too late."

Blanchette served as a Penn Central trustee—an experience that has left him with a strong desire to prevent anymore bankruptcies. He is satisfied with the progress that has been made as a result of last year's Conrail legislation, which he hopes will be the final chapter in the saga of the Penn Central's failure. An ending might now be in sight as the railroad faces its first critical test next June. The United States Railway Association (USRA) is to determine then whether Conrail has become profitable.

With the relief granted Conrail from high labor protection payments and the freedom to abandon lines, impose surcharges, and change rates, the railroad should achieve sufficient profitability to satisfy USRA. Conrail suffered a first quarter loss but it was significantly less than last year's loss, and railroad officials are optimistic that this year will be Conrail's second profitable year in a row.

"Conrail's looking good—to the extent that anybody's looking good in this economy," says Blanchette. "Two years ago, with this kind of economy, Conrail would have been dead." The turnaround, he says, comes from a "trinity of fortunate events... the Staggers Act in October, 1980, Stanley Crane's arrival in December of 1980, and Reagan's arrival in January of '81."

All commuter service provided by Conrail is to be taken over by individual agencies or Commuter Services Corporation by the end of this year. Whether there will be a problem free transfer is uncertain, but Blanchette is concerned mainly with getting Conrail out of the commuter business.

Through acquisition by the private sector, other northeast railroad problems appear to be headed for resolution, too.

Timothy Mellon's Guilford Transportation Industries has received ICC authority to acquire Boston & Maine, and a decision is due by July 26 on its bid to buy Delaware & Hudson from Norfolk & Western for $500,000. In Blanchette's view, the problems of D&H are over—one way or another. "If Guilford doesn't take it over," says Blanchette, "then that's it—I don't see any solution in sight." Unless the state of New York acts, he says, "The next solution is liquidation. I would not recommend putting another penny in the D&H." Guilford officials are said to view acceptable labor agreements as critical to whether they will finally buy the railroad. Blanchette predicts, "If the employees and managements agree on a collective bargaining requirement where D&H is at least competitive with Conrail on the cost side, then I think Guilford will take it over."

This hands-off attitude by Blanchette is typical of the Administration's policy toward railroads.

• **Congress balks.** In its budget proposals

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REVENUES AND EXPENSES OF RAILWAYS

First quarter figures of calendar year 1982

(Dollar figures are stated in thousands: i.e., with last three digits omitted)

		Operating revenues				Operating expenses													
						Way & structures			Equipment					Operating Ratio		Income after fixed charges		1982 Net Ry. operating income	Net income	
		Freight	Other	Total 1982	Total 1981	Total 1982	Total 1981	1982 Deprec.	Total 1982	Total 1981	1982 Deprec.	Total 1982	Total 1981	1982	1981	1982	1981		1982	1981
Amtrak	3 mos.	—	110,482	110,482*	274,221*	29,317	21,922	5,725	74,937	60,941	15,909	305,070	305,276	276.12	111.32	(211,641)	(45,730)	(194,588)	(211,641)	(45,730)
Atchison, Topeka & Santa Fe	3 mos.	524,211	11,191	535,402	581,233	76,532	88,629	3,582	126,747	127,646	22,859	521,757	534,575	97.45	91.97	3,097	40,166	12,721	1,881	28,616
Baltimore & Ohio	3 mos.	229,219	10,447	239,666	251,541	44,779	37,060	1,184	60,592	57,849	7,849	248,573	234,216	103.71	93.11	(10,539)	18,250	(3,881)	(6,038)	11,653
Bessemer & Lake Erie	3 mos.	14,455	2,146	16,601	22,391	3,126	2,729	709	3,527	2,461	1,407	19,921	16,777	119.99	74.92	(2,420)	7,329	(1,737)	(838)	3,904
Boston & Maine	3 mos.	28,513	1,508	30,021	30,556	5,859	5,566	314	8,102	8,068	362	30,728	29,945	102.35	98.00	604	1,626	(637)	411	1,430
Burlington Northern**	3 mos.	894,751	24,056	918,807	1,009,596	146,516	137,186	6,336	200,038	212,310	18,801	863,795	880,771	94.01	87.76	56,058	137,279	31,733	32,771	96,626
Chesapeake & Ohio	3 mos.	245,629	10,531	256,160	246,935	40,350	35,234	1,928	59,342	49,642	3,968	230,563	216,152	90.00	87.54	31,314	52,451	8,922	14,594	37,812
Chicago & North Western	3 mos.	177,116	22,485	199,601	259,[illegible]	40,135	45,209	1,354	35,294	62,199	4,236	218,597	245,490	109.51	94.48	(7,016)	10,302	(17,479)	(7,022)	10,266
Chicago, Milwaukee, St. Paul & Pac.	3 mos.	86,779	10,792	97,551	102,948	18,319	9,942	794	28,421	35,364	3,655	106,703	110,664	109.38	107.49	(1,855)	140,736	(9,274)	(11,296)	140,655 ***
Clinchfield	3 mos.	26,139	542	26,681	26,901	4,814	4,245	121	4,674	4,083	983	21,601	19,473	80.96	72.38	4	3	5,799	—	—
Conrail	3 mos.	733,600	160,697	894,297	1,011,664	148,213	158,164	7,283	240,996	277,667	37,905	912,093	1,060,829	101.98	104.85	(22,624)	(58,305)	(17,650)	(17,290)	(57,491)
Delaware & Hudson	3 mos.	27,544	890	28,434	28,156	6,339	5,166	162	7,521	8,565	871	30,240	31,492	106.35	111.84	(3,954)	(4,998)	(1,704)	(3,954)	(4,998)
Denver & Rio Grande Western	3 mos.	77,199	1,694	78,893	80,179	13,467	13,326	629	14,992	12,284	2,922	71,799	67,538	91.00	84.23	6,646	11,987	5,068	4,611	6,938
Detroit, Toledo & Ironton	3 mos.	16,192	670	16,862	22,172	3,358	2,721	118	6,484	5,922	957	21,014	20,676	124.62	93.25	(4,610)	684	(4,148)	(4,610)	684
Duluth, Missabe & Iron Range	3 mos.	11,914	402	12,316	14,884	6,596	5,804	974	2,789	3,258	552	19,309	18,887	156.77	126.89	(5,829)	(3,321)	(4,180)	(3,027)	(1,606)
Elgin, Joliet & Eastern	3 mos.	16,091	12,009	28,100	29,611	3,564	2,989	196	1,482	2,959	1,885	21,691	22,876	77.19	77.25	7,876	8,385	2,728	4,195	4,641
Florida East Coast	3 mos.	22,831	357	23,188	25,901	6,124	5,795	326	3,184	3,686	1,008	20,029	22,548	86.37	87.05	4,021	4,222	2,089	2,951	3,055
Grand Trunk Western	3 mos.	58,215	2,895	61,110	55,669	7,653	5,979	450	13,550	11,458	1,200	61,756	53,443	101.05	96.00	(1,690)	1,452	276	(769)	2,850
Illinois Central Gulf	3 mos.	227,204	20,521	247,725	276,356	41,235	45,884	1,895	79,197	73,640	6,569	266,175	266,037	107.44	96.26	(17,178)	9,904	(17,516)	(16,745)	7,443
Kansas City Southern	3 mos.	80,696	3,672	84,368	75,051	15,670	13,426	759	17,444	14,867	4,934	71,245	62,887	84.44	83.79	10,527	9,263	10,198	7,569	7,175
Long Island	3 mos.	3,462	96,881	100,313	87,450	25,211	19,641	825	28,412	22,485	1,540	114,619	100,427	114.26	114.72	(14,378)	(13,039)	(13,201)	(14,378)	(13,039)
Louisville & Nashville	3 mos.	294,363	6,163	300,526	311,028	42,479	48,691	1,768	77,515	70,485	10,624	279,355	282,491	92.95	90.82	13,721	22,607	18,988	9,891	19,776
Missouri-Kansas-Texas	3 mos.	57,279	3,140	60,419	69,330	8,950	9,854	327	15,906	20,858	2,482	56,108	62,740	92.86	90.49	1,037	4,154	4,479	1,037	4,684
Missouri Pacific	3 mos.	429,805	14,658	444,463	478,357	55,217	67,471	2,535	107,792	107,580	16,904	387,238	412,321	87.12	86.19	50,064	58,965	43,432	33,788	39,196
Norfolk & Western	3 mos.	467,895	16,179	484,074	445,028	62,364	57,606	3,517	84,053	74,990	14,236	357,710	325,837	73.89	73.17	147,075	135,587	69,834	89,005	78,636
Pittsburgh & Lake Erie	3 mos.	13,818	1,832	15,650	19,319	3,313	2,865	40	3,329	3,126	305	17,495	18,267	111.78	94.55	(3,299)	(721)	(1,839)	(3,306)	(878)
St. Louis Southwestern	3 mos.	98,717	1,363	100,080	91,041	13,981	15,399	460	21,234	15,212	5,974	84,085	79,710	84.01	87.55	16,442	9,692	9,416	9,863	6,682
Seaboard Coast Line	3 mos.	307,529	9,941	317,470	343,419	49,732	54,226	2,365	60,464	79,197	9,354	300,727	305,869	94.72	89.06	30,174	64,499	14,160	27,162	60,804
Soo Line	3 mos.	74,467	1,284	75,751	79,464	11,937	10,844	420	16,900	14,734	2,020	67,139	62,155	88.63	78.21	9,687	17,851	5,150	6,017	11,090
Southern	3 mos.	401,588	9,704	411,292	437,455	52,871	58,023	4,753	82,356	80,027	20,622	345,152	343,650	83.91	78.55	67,571	91,553	42,758	42,786	59,107
Southern Pacific	3 mos.	530,460	16,738	547,198	545,289	94,945	79,205	4,694	168,315	135,874	21,689	576,522	539,109	105.35	98.86	(17,727)	3,883	(28,945)	(17,348)	3,750
Union Pacific	3 mos.	464,144	6,515	470,659	535,028	60,134	70,345	3,111	93,005	99,364	24,421	414,229	439,921	88.01	82.22	49,360	81,856	37,597	30,442	52,768
Western Maryland	3 mos.	19,865	709	20,374	22,479	2,867	4,557	214	2,973	1,990	1,578	15,437	19,630	75.76	87.32	5,405	2,896	2,495	2,954	1,626
Western Pacific	3 mos.	45,533	591	46,124	49,231	6,854	6,549	110	10,649	10,699	1,789	47,839	46,626	103.83	94.70	1,143	2,179	(1,930)	898	1,814

*Includes subsidies.

**Figures have been restated to include the Colorado & Southern and the Fort Worth & Denver.

***Includes real estate sales.

Market

CARLOADINGS

Loadings of revenue freight in the week ended June 19 totaled 373,048 cars, according to the Association of American Railroads. This was a decrease of 64,185 cars, or 14.7%, compared with the corresponding week last year. Ton-miles generated by carloadings in the week ended June 19 are estimated at 16.0 billion, a decrease of 14.4% below the corresponding week of 1981.

REVENUE FREIGHT CARLOADINGS

Commodity	June 19 week	June 12 week
Grain	23,677	24,369
Other farm products	4,736	4,924
Metallic ores	14,853	14,799
Coal	121,614	118,435
Crushed stone, gravel & sand	10,314	10,327
Nonmetallic minerals	8,308	9,108
Grain mill products	11,276	11,238
Food & kindred products	12,896	13,112
Primary forest products	15,918	15,765
Lumber & wood products (except furniture)	6,704	6,730
Pulp, paper & allied products	16,253	15,880
Chemicals & allied products	21,144	21,678
Petroleum products	4,719	4,531
Stone, clay & glass products	10,383	10,503
Coke	4,316	4,547
Metals & products	8,629	8,852
Motor vehicles & equipment	17,542	17,166
Waste & scrap materials	7,938	8,400
Forwarder & shipper assn. traffic	8,824	8,289
All other carloads	42,731	44,278
LCL traffic	273	257
Total Cars Loaded	**373,048**	**373,188**
Cumulative total, 24 weeks	1982 **9,321,986**	1981 **10,314,446**
Estimated revenue ton-miles (billions), 25 weeks	**401.1**	**439.9**

PIGGYBACK LOADINGS

U.S. piggyback loadings for the week ended June 12 totaled 37,937 cars (10.3% above the corresponding 1981 week) and 65,314 trailers or containers (up 6.5% from 1981). Cumulative volume for the first 24 weeks of 1982 is 848,330 cars (up 8.1% from 1981) and 1,510,493 trailers or containers (up 6.3% from 1981).

CANADIAN CARLOADINGS

Canadian railway revenue freight loaded in the ten-day period ended May 31 totaled 5.9 million metric tonnes (down 0.2% from 1981). Cars loaded totaled 85,748 (down 10.7% from last year). Cumulative loadings for 1982 were 88.5 million metric tonnes (down 6.9% from 1981).

• *Metropolitan Atlanta Regional Transit Authority*.—Awarded an $11.5-million contract to Union Switch & Signal Division of American Standard for supply and installation of automatic train control system equipment for four new stations—two (plus one interlocking) on MARTA's North Line and two (plus one interlocking) on the South Line. The contract calls for train detection, identification, routing and signaling equipment along with related control apparatus for extending the South Line nearly one mile and the North Line over five miles. The project will be the second US&S has performed for MARTA. US&S built and completed installation of the train control system equipment for the Avondale Yard in 1979.

• *Port Authority of Allegheny County*.—Awarded two major contracts in connection with construction of a 10.5-mile light rail transit line that will serve the Pittsburgh area. A contract worth $5,056,267 went to Transcontrol for supply and installation of a signal control system at the car maintenance shops and yards under construction near the South Hills Village shopping center. Bethlehem Steel won a $1,699,977 contract for supply of 3,516 tons of jointed running rail and joint bars for installation on the LRT mainline through and from the downtown subway to the Dorchester shop in Bethel Park.

• *Freight cars and locomotives*.—The following report has been received from the AAR and the ARCI:

DELIVERED

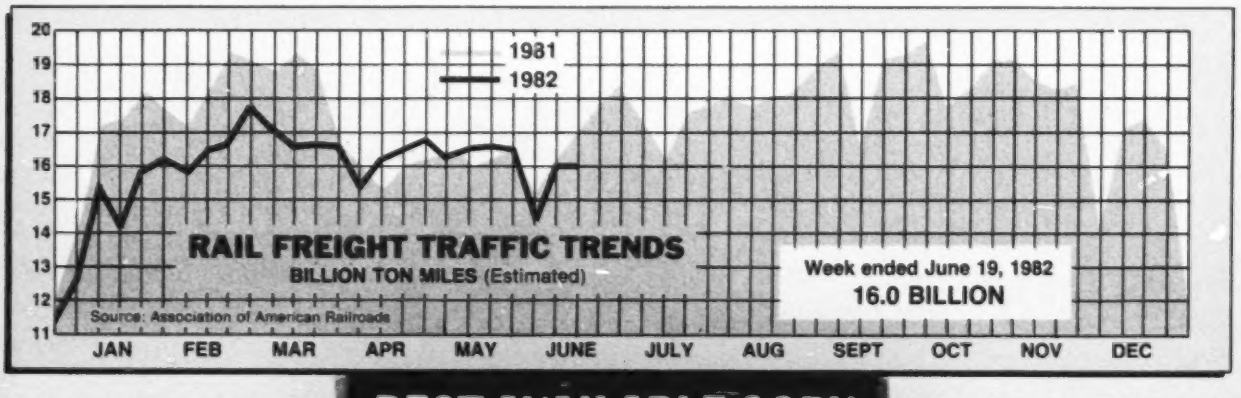
	May 1982	May 1981	April 1982	Five months 1982	Five months 1981
Built new by carbuilders	1,694	3,779	2,265	9,350	21,754
Build new in RR shops	100	364	178	891	1,841
Built new—total	1,794	4,143	2,443	10,241	23,595
Rebuilt	130	125	136	648	571
TOTAL DELIVERED	**1,924**	**4,268**	**2,579**	**10,889**	**24,166**
Locomotives (new and rebuilt)	70	67	29	227	325

ORDERED

To be built new by carbuilders	487	1,791	539	4,079	9,393
To be built new in RR shops	0	25	0	0	25
To be built new—total	487	1,791	539	4,079	9,418
To be rebuilt	0	500	0	0	1,100
TOTAL ORDERED	**487**	**2,291**	**539**	**4,079**	**10,518**

ON ORDER AND UNDELIVERED

	June 1 1982	June 1 1981	May 1 1982	Average Backlog 1982	Average Backlog 1981
To be built new by carbuilders	8,478	32,900	9,685	11,032	38,459
To be built new in RR shops	775	2,688	875	1,095	3,475
To be built new—total	9,253	35,588	10,560	12,127	41,934
To be rebuilt	252	529	382	521	268
TOTAL ON ORDER	**9,505**	**36,117**	**10,942**	**12,648**	**42,202**
Locomotives (new and rebuilt)	178	287	188	201	407



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